



Panhandle News

BENEWAH, BONNER, BOUNDARY, KOOTENAI & SHOSHONE COUNTIES

ECONOMIC TRENDS

The Coeur d'Alene Metropolitan Statistical Area, which encompasses all of Kootenai County, continued to enjoy strong employment growth as it entered 2006. The MSA's seasonally adjusted unemployment fell from 3.9 percent to 3.7 percent between December 2005 and January 2006. Exceptionally snowy, cold weather in early December had pushed the unemployment rate up from its all-time low of 3.6 percent in November. A relatively warm January allowed construction, tourism, retail and transportation activities to continue at higher rates than normal, pushing the rate back down.

As Panhandle Table 1 shows, the sectors experiencing the fastest growth between January 2005 and January 2006 included:

- » **construction**, with employment running 50 percent higher than it normally does in January;
- » **manufacturing**, which enjoyed a general expansion as well as a gain of 270 jobs from the March 2005 opening of the Buck Knives plant in Post Falls;
- » **financial activities**, where the booming real estate market has increased mortgage lending, title insurance and real estate jobs, and last summer's opening of the U.S. Bank call center added 150 jobs; and
- » **leisure and hospitality**, benefiting from the long-run growth in tourism facilities, this winter's superior snow conditions that boosted business for Panhandle ski areas and snowmobiling haunts, the county's growing population and rising incomes of county residents.

Panhandle Table 1: Coeur d'Alene MSA Labor Force & Employment Kootenai County

	Jan 2006*	Dec 2005	Jan 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	67,410	68,300	65,960	-1.3	2.2
Unemployed	2,480	2,660	3,220	-6.8	-23.0
% of Labor Force Unemployed	3.7	3.9	4.9		
Total Employment	64,930	65,640	62,740	-1.1	3.5
Unadjusted					
Civilian Labor Force	67,120	68,650	65,740	-2.2	2.1
Unemployed	3,550	2,760	4,330	28.6	-18.0
% of Labor Force Unemployed	5.3	4.0	6.6		
Total Employment	63,570	65,890	61,410	-3.5	3.5
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	51,010	53,010	48,230	-3.8	5.8
Goods-Producing Industries	10,250	10,490	8,970	-2.3	14.3
Natural Resources & Mining	460	490	390	-6.1	17.9
Construction	5,110	5,350	4,370	-4.5	16.9
Manufacturing	4,680	4,650	4,210	0.6	11.2
Wood Product Manufacturing	960	970	980	-1.0	-2.0
Other Manufacturing	3,720	3,680	3,230	1.1	15.2
Service-Providing Industries	40,760	42,520	39,260	-4.1	3.8
Trade, Transportation, & Utilities	9,450	10,030	9,080	-5.8	4.1
Wholesale Trade	1,400	1,420	1,250	-1.4	12.0
Retail Trade	7,070	7,570	6,910	-6.6	2.3
Transportation, Warehousing & Utilities	980	1,040	920	-5.8	6.5
Information	1,010	980	1,060	3.1	-4.7
Financial Activities	2,790	2,860	2,450	-2.4	13.9
Professional & Business Services	5,620	6,060	5,560	-7.3	1.1
Educational & Health Services	5,390	5,540	5,230	-2.7	3.1
Leisure & Hospitality	5,800	6,090	5,580	-4.8	3.9
Other Services	1,450	1,450	1,350	0.0	7.4
Government Education	3,510	3,660	3,420	-4.1	2.6
Government Administration	5,100	5,190	4,940	-1.7	3.2
Government Tribes	640	660	590	-3.0	8.5

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

AREA DEVELOPMENTS

Bonner County

- Many communities in Bonner County are undergoing amazing transformations, but no other community's is quite as dramatic as the one underway in Dover. Located about four miles west of downtown Sandpoint, the town was home to 471 residents in 2004. Its population could easily be three times larger by 2010. Developer Ralph Sletager is building Dover Bay, a 285-acre waterfront community that will eventually include 535 homes and nine miles of walking trails. In addition, Dover Bay will provide public parks, access to the marina and a community hall for all the citi-

zens of Dover, not just Dover Bay residents. Like many waterfront developments currently underway in the Panhandle, it is on the former site of a lumber mill, the Dover Mill, which closed in 1989. Dover Bay is reclaiming the industrial site and plans to tend several wetland areas and preserve wildlife. The U.S. Army Corps of Engineers recently gave final approval for a 274-slip marina to be built on the Pend Oreille River. The marina will include a boat launch, a 1.7-acre plaza, a 150-foot long pier for fishing, a 1,724-foot boardwalk, convenience store, fuel dock, coffee shop and restaurant.

- The 2005-2006 ski season, especially since New Year's Day, has brought great snow conditions to Schweitzer Mountain Resort with snow levels about 8 percent above normal. That's quite a contrast to the dismal lack of snow the previous winter that resulted in a literally rocky ski season. This winter has kept Schweitzer's 600 employees working and brought financial benefits to stores, restaurants and motels in the Sandpoint area. Hotel-motel receipts in Bonner County totaled \$1.9 million in the first two months of 2006, up 31 percent from the first two months of 2005.
- Schweitzer hosted the U.S. World Cup Telemark finals in early March. Many contestants who have visited ski areas all over the world were impressed with Schweitzer and enjoyed the charms of Sandpoint.
- Although the Sandpoint area is the county's job powerhouse, western Bonner County also has been experiencing strong job growth the last three years. Its payroll jobs grew 13 percent, from 2,200 jobs in 2002 to 2,500 jobs in 2005. Construction firms added about 120 jobs, logging companies and mills added 80 jobs and health care and professional services added 50 jobs.
- With JD Lumber, Riley Creek Lumber, Stimson Lumber and Malloy Veneer among its largest employers plus 17 other manufacturing operations, it's not surprising that western Bonner County's largest sector is manufacturing with 740 jobs in 2005. Tied for second largest industry with 350 jobs each were trade – wholesalers and retailers – and government, which includes mostly the school district, the U.S. Forest Service and the U.S. Army Corps of Engineers. Coming in fourth with 270 jobs and 45 businesses was leisure and hospitality. The largest employers in that category

are Hill's Resort, Elkins on Priest Lake and Stoneridge. Right behind that was the construction sector with 45 companies and 260 jobs. In addition to the 2,137 jobs in their community, many western Bonner County residents work in Spokane and Kootenai counties as well as the greater Sandpoint area.

Kootenai County

- Ernest Health Inc. opened the Northern Idaho Advanced Care Hospital in Post Falls in February. The \$15 million, 40,000 square-foot facility at 600 Cecil Road includes 40 beds, a gym, heated water therapy pool and full-service cafeteria. The hospital serves medically fragile patients who need intensive long-term treatment but no longer require the acute care offered by traditional hospitals. It employs about 120 people. The facility, which offers specialized medical, nursing and rehabilitation services, fills a niche. It is strategically placed between Kootenai Medical Center in Coeur d'Alene and the hospitals in Spokane and is expected to relieve pressure on Idaho hospitals from Bonners Ferry to Boise, which have been providing long-term care even though that is not their mission.
- Harrison, a town on the eastern shore of Lake Coeur d'Alene, may double its current population of 280 over the next few years. California developer Vue de Lac recently received approval for the first phase of an ambitious three-phase residential development overlooking the lake. The first phase is the development of 135 residential lots along Harrison's southern border. Stonegate at Harrison could eventually encompass 235 homes and a 200-slip marina. It would be near the 79-mile Trail of the Coeur d'Alenes, which runs from Mullan to Plummer. Skiers and snowboarders also may find the new development attractive because it's only half an hour's drive from the Silver Mountain Resort in Kellogg.
- The 77-acre Central Pre-Mix gravel pit on Seltice Way in Coeur d'Alene will close this spring after 60 years of operation. No one will lose their jobs, because the gravel pit's employees will be transferred to other SRM Development concrete operations. The SRM concrete operation next to the pit will continue to operate for a couple more years, and then it will move elsewhere in the county. Developer John Stone is purchasing the pit's site to expand the mixed-use Riverstone Development along the Spokane River as it flows into Lake Coeur d'Alene. First to go up on the site will be The Village at Riverstone Condominiums, a three-story building includ-

ing 47 luxury condominium units on the top floors and retail stores on the ground floor. It will break ground this spring. The Riverstone West development will include a \$1.2 million, 10-acre park with a six-acre fishing pond, a rock jetty overlooking the pond, an amphitheater and children's play area.

- The 30,000 square-foot building formerly occupied by Spencer's grocery store at 317 E. Seltice Way in Post Falls is being transformed into a retail mini-mall. The east end of the building will be filled by an AutoZone retail store providing automobile and truck parts. When it opens in April, it will employ about 10 people. Next door, a Fastenal store will sell fasteners, welding supplies and janitorial supplies and will offer delivery services. In 7,300 square feet on the building's west side, Goodwill Industries will open a thrift store in April. The store, which will raise money for Goodwill's services to people with disabilities, will employ 10 to 15 people.
- Western States Equipment plans to open a store in Hayden in April that will rent Caterpillar and construction equipment and sell related products. The store at 10780 N. Highway 95 initially will employ 10 people. Western States plans to build a 26,000 square-foot building on the same lot next year to replace the existing building. It could eventually employ 40 people.
- The influx of thousands of new residents and tourists translates into more restaurants. Among the county's new restaurants are: Pita Pit, which offers pita sandwiches and healthy fast food in the Prairie Shopping Center at 271 W. Prairie in Hayden; the Donut House, offering doughnuts, muffins and other baked goods at 9551 Government Way in Hayden; Joey's Smokin' B-B-Q in the Riverstone Development in Coeur d'Alene; and Kootenai Coffee Roaster & Bakery, serving breakfast and lunch in the 5400 block of Government Way in Coeur d'Alene. They join the 250 restaurants already serving Kootenai County. In an average month in 2005, about 4,000 people worked in 244 Kootenai County restaurants. In 2002, about 3,200 people worked at 205 restaurants.

Shoshone County

- Shoshone County's largest employer, Dave Smith Motors, once again was the Chrysler Corporation Dealer of the Year. The Kellogg dealership, famous for its one-price system, sold 6,410 Chrysler units in 2005, 400 more than in 2004. In addition to Chryslers, Dave Smith also sells General Motors

cars and trucks. Nearly 350 people work for the dealership.

- A year ago, Dave Smith Motors established a \$24,000 fund to provide storefront improvement grants to local businesses wishing to enhance their sidewalk appeal. Businesses apply through the Historic Silver Valley Chamber of Commerce. So far, \$18,800 of the fund has been allocated. Among the businesses that have used the grants are the McConnell Hotel, the Staff House Museum, the Averitts Building, Kellogg Senior Center, Ron's Sportsman, Sheldon James Studio, Dirty Ernie's, Miner's Hat Realty and Progressive Printing.
- The rapid sale of the Silver Mountain Resort's condominium units captured the imagination of several developers. The city of Kellogg recently approved two condominium projects. A five-story building containing 49 condominium units soon will break ground on the former site of the Bunker Hill main office on McKinley Avenue. In uptown Kellogg, a 20-unit building called Alpine Village Resort Condominiums may be under construction between Portland and Ohio Avenues as early as April. Another proposed condominium project would involve a complete remodel of the building at 301 Main St. Several small businesses currently occupy the building. Silver Valley Fitness will move from its current 2,500 square-foot space to a space of similar size in the currently unused theater in the building. That will leave more storefront available for retail businesses that would be located in the front of the first floor. The rest of the building will house 16 condominium units.
- In a county where commercial buildings often remained vacant for years, several buildings are getting a new lease on life. An example is the Taco Express at the west end of Cameron Avenue, which has been empty since November 2004. It currently is being remodeled. GMAC Real Estate and Eagle Point Mortgage expect to open their doors there in late spring.

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